

Small Business Administration Loan Programs

Program Name	Eligibility	Interest Rate	Collateral	Loan Amount	Fees	Use of Proceeds	Additional Information
7a Regular	Businesses must operate for profit and qualify as small under SBA's size standard criteria. Loans cannot be made to businesses involved in speculation or passive investment real estate.	Rates can be fixed or variable with the maximum interest rate charged of 2.75% over NY WSJ Prime, for loan of 7 years or longer maturity & 2.25% over NY Prime for loans maturing less than 7 years. Rates can be higher on loans under \$50,000.	Personal guarantees are required from all principals owning 20% or more of the business. In some circumstance owners of less than 20% may be required to guaranty the debt. Liens on personal assets of the principals also may be required when pledged business assets are considered insufficient to secure loan.	The maximum guaranty amount for loans up to \$150,000 is 85%. On loans in excess of \$150,000 the maximum guaranty is 75%. The maximum gross loan amount is \$2,000,000. The maximum SBA exposure to one business or their affiliate is \$1,500,000.	On loans with an amount of \$150,000 or less the guaranty fee is 1% of the guaranteed portion. On loans in excess of \$150,000 but, up to \$700,000 the fee is 2.5% of the guaranteed amount. On loans in excess of \$700,000 the fee is 3.5% of the guaranteed portion. There is an additional .25% fee premium on the guaranteed amount exceeding \$1.0 million. On loans with maturities of 12 months or less the fee is 1/4 of 1%. Participation loans structured with independent companion loan in a first lien position will also be subject to .7% fee on the companion loan amount payable to SBA. There is an ongoing fee of .36% which is paid only on performing loans.	Proceeds may be used to: expand or renovate facilities; purchase machinery, equipment, fixtures, and leasehold improvements; finance receivables and augment working capital; refinance exiting debt (special conditions apply); construct commercial buildings; and/or purchase land or buildings.	To be used by start-ups or existing businesses. SBA generally requires that the owner(s) inject 1/5 to 1/3 of the total funds needed to launch a new business. However, in high-risk businesses, 1/2 injection can be expected. Maturities up to 25 years based on life of assets financed. On limited circumstances a prepayment may be imposed on loans with maturities 15 years or longer.
7a SBA Express Pilot Program with eligible lenders.	Business must operate for profit and qualify as small under SBA size standard criteria. Loans can not be made to businesses involved in speculation or investment.	Lenders will be allowed to charge up to 6.5% over prime rate for loans of \$50,000 or less and up to 4.5% over the prime rate for loans over \$50,000.	Collateral will not be required for loans of \$25,000 or less. Lenders will be allowed to use their own established collateral policy for loans over \$25,000.	The maximum loan amount is \$2,000,000 with a 50% guaranty.	Same as under regular 7(a) guaranteed program. Lender can impose their standard commercial loan fees but can't capitalize these fees to the principal balance if SBA purchase is requested.	Same as under regular 7(a) guaranteed program.	SBA delegates the loan approval decision and additional servicing and liquidation responsibilities to the Express Lenders. The bank uses their own documentation and procedures to reduce costs and expedite the process. Express loans can revolve with a maximum maturity of 5 years.
504 Certified Development Company Direct Loan Program	Businesses must be for-profit whose tangible net worth must not exceed \$7 million and average net profit after tax must not exceed an average of \$2.5 million for the last two years. Financing limited to fixed assets. Business is to commit to create or retain 1 job per \$50,000 of debenture amount within a two year period.	Based on the current market rate for 5 and 10 year U.S. Treasury Bonds, generally below market rate.	Will include a mortgage or lien on the assets being financed. Personal guarantees of principals required. Additional non-project assets may be required to be pledged under certain circumstances.	The maximum amount of CDC participation in an individual project is \$1,000,000; minimum is \$50,000. SBA debenture amount can go up to \$1.3 million in some cases. SBA funding limited to 40% of total project cost plus fees.	CDC fee not to exceed 1-1/2% processing fee on SBA debenture, an additional 1/8 of 1% added to the interest rate and a .69% service fee on an unpaid debenture balance (paid monthly). Total fees approximately 4-3/8% of loan amount.	Proceeds may be used for acquisition of land and buildings, machinery and equipment. Proceeds can not be used for working capital or inventory, consolidating or repaying debit, or refinancing.	CDCs' are private/public sector non-profit corporations whose purpose is to contribute to the economic development of its area of operation. They provide small businesses with 10 or 20 year financing for the acquisition of land and buildings, machinery and equipment.

Small Business Administration Loan Programs (con't)

Program Name	Eligibility	Interest Rate	Collateral	Loan Amount	Fees	Use of Proceeds	Additional Information
7a LowDoc	Same as 7(a) guaranteed loans. Generally businesses will qualify if average annual sales do not exceed \$5 million for the last 3 years and it employs 100 or fewer employees.	Subject to normal 7(a) guarantee rates. However, on loans between \$25,000 and \$50,000, the lender can charge an additional 1%, and those below \$25,000, 2% above normal rates.	Personal guarantees are required and liens on personal assets of the principals also may be required when business assets are considered insufficient to secure the loan.	Loans up to \$150,000, with an 85% maximum guaranty.	On loans with an amount of \$150,000 or less, the guaranty fee is 1% of the guaranteed portion.	The same use of proceeds as under regular 7(a) guaranteed program. Debt refinancing is subject to additional restrictions.	Loan approval relies heavily on credit history and character. Individuals with bankruptcy or indicted/convicted of a felony are ineligible for this particular program but may apply under the regular 7(a) guarantee loan program. Maturities up to 25 years.
7a CAPLine - Asset Based	Size standards are the same as 7(a) guaranteed loans but only established businesses that are current on all payroll taxes can apply.	Same as regular 7(a) guaranteed loans.	First lien on current assets- usually inventory and accounts receivable are pledged as collateral.	SBA provides a guarantee of 85% on loans up to \$150,000. Guaranty of 75% on a loan above \$150,000 up to a maximum gross loan of \$2,000,000.	Same as regular guaranteed program. The Lender may charge additional fees according to the level of monitoring or servicing required.	Provides financing for cyclical, growth and recurring short term needs by advancing funds against existing inventory and accounts receivable.	Unlike SBA's traditional term loans where the business is expected to repay the loan from cash flow, an asset-based loan is where repayment is tied to the sale of inventory and collection of accounts receivable. Maximum term of the loan is 5 years.
7a CAPLine - Contract Loan	Applicants must be contractors or sub-contractors engaged in the construction, manufacturing, or service industries.	Determined through negotiation between applicant and lender; subject to SBA maximums.	Collateral will include an assignment of the contract proceeds and usually requires the pledge of outside assets and secured personal guarantees.	The maximum guarantee for loans of \$150,000 or less is 85%. On loans in excess of \$150,000 the guaranty is 75% up to maximum gross loan of \$2,000,000.	SBA guarantee fee is 1/4 of 1% if the maturity is one year or less otherwise the general rule applies.	Finances the direct labor and material costs associated with performing assignable contract(s).	This is a short-term credit facility which is contract specific or revolving. It is available solely to finance the estimated cost of labor and material needed to perform a specific contract. The bank will evaluate your performance on other like contracts.
7a CAPLine - Seasonal Line of Credit	Business must meet regular 7(a) size and eligibility standards. In addition, business must have been in operation for at least one year and established a definite pattern of seasonal activity.	The lender may charge 2.25% over New York Prime. Rates can be higher if loan amount is under \$50,000.	Collateral will be first liens on inventory and accounts receivable. Additional collateral may be required.	The maximum guarantee for loans of \$150,000 or less is 85%. On loans in excess of \$150,000 the guaranty is 75% up to a maximum gross loan of \$2,000,000.	SBA guarantee fee is 1/4 of 1% if the maturity is one year or less otherwise the general rule applies.	Provides financing for inventory and accounts receivables during peak seasons and seasonal sales fluctuations.	Maximum maturity is 12 months. Only one Seasonal Line of Credit loan can be outstanding at one time and each loan must be followed by a debt-free period of at least 30 days.

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7a Community Express	Same as 7(a) guaranteed loans. Program available in various designated areas throughout the US.	Same as regular 7(a) guaranteed loans.	Only collateral located in the U.S. is acceptable. The lender must take a first lien position (or first mortgage) on the items financed. Additional supporting collateral may be required as appropriate.	Loan amount up to \$250,000, with a maximum guaranty on loans up to \$150,000 is 85% and 75% on loans in excess of \$150,000.	Same as under regular SBA Express.	Same as under regular 7(a) guaranteed program.	Business must be located in designated area. Low or moderate income, urban or rural area. Identified as New Markets small business. Technical assistance component tied to program which, is supplied by local non-profit providers. The lenders arrange and can pay for these services.
7a Export Working Capital	Same as 7(a) guaranteed loan, and must have been in business at least 12 months prior to filing application.	Interest rates are negotiable between the business applicant and the lender.	May include export inventory, foreign receivables, assignments of contract and letter of credit proceeds. Personal guarantees are usually required to support the credit.	The maximum guaranty is 90% on loans up to a maximum gross loan of \$2,000,000 or a guaranteed portion of \$1,500,000 whichever is less.	SBA guarantee fee is 1/4 of 1% for loans of 12 months or less. The guarantee fee is same as regular 7(a) program.	Proceeds may be used to finance labor and materials for manufacturing goods for export; purchase goods or services for export; finance accounts receivable generated from export sales. May not be used to establish operations overseas, acquire fixed assets or pay existing debt	The business can apply directly to SBA for a preliminary commitment for a guarantee. Then find a lender who applies to SBA for the final commitment.
Federal Direct Disaster Loan Program	Individuals, for profit businesses & some non-profit organizations due to natural disaster or military reservist activation.	Below market rates.	If the loan is over \$10,000, then collateral will be required to the extent it is available.	There are multiple disaster loan categories with their own limits. See SBA web page referenced on the right column.	There is no application fee.	Proceeds are used to cover uninsured loss. Certain limits do apply. See SBA web page on right column.	U.S. Small Business Administration's disaster specific web page is at: www.sba.gov/disaster_recov/loaninfo/property.html has current information.

* This loan grid is for informational purposes and is not a comprehensive policy statement. Criteria relative to each of the SBA loan products are subject to change. Reference SBA's general web page at www.sba.gov for additional information.